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ER 87-2523

30 June 1987

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science & Technology

FROM: Executive Director

SUBJECT: Draft Proposal on New Pay, Personnel Management and Benefits System for CIA

1. As you know, the Human Resources Management and Compensation Task Force has labored long and hard for the past several months to review the Agency's pay, personnel management and benefits system. The resulting preliminary report is attached for your consideration.

2. Not surprisingly, the Task Force found room for improvement in our present personnel management and compensation system. But it also found a number of ways to make the system more responsive to the needs of the organization and our people. Several fundamental issues have been raised.

3. One such issue is whether you think we should try to do what we can to improve things within the confines of the present pay system, or whether you agree with the Task Force that the Agency can develop a compensation system of its own that is more relevant to our particular needs. Another important issue is whether you believe the Agency would be improved by a system in which annual performance awards to some degree replace promotions as a tangible expression of Agency recognition of exceptional employee performance.

4. We also need your views and suggestions on other, more specific issues, including those relating to the design, implementation and management of the new system and those that are presented here in the form of options. Finally, the Task Force hopes that you will raise questions or present ideas that might have been overlooked in the course of its deliberations.

5. There are two other points that you should be aware of. One relates to costs. In order to keep this report unclassified, and in the belief that cost considerations should be of concern primarily to senior managers rather than individual employees, I asked the Task Force to address the cost implications of each of the proposed system features in a separate, classified attachment. Please give us your comments on that section as well.

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from Attachments

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6. The other point relates to the final approval process. Everyone should understand that, even if there is widespread support for this proposal within the Agency and DCI endorsement, we will still need the cooperation of the Congress and the Office of Management and Budget to move ahead with many aspects of it. Implementation of some features may require legislation. Although the Senate Select Committee on Intelligence has reacted favorably to the general concepts presented here, the House Select Committee has not. It is our hope that a sensible proposal which had the strong support of Agency personnel and management, and could be achieved at reasonable cost, would have a good chance of gaining Congressional endorsement. But none of this is preordained.

7. Because of the significance of this proposal to the future of the Agency and our employees, we ask that you consult as widely as possible with your people about it and take as much time as you need to do so. (The Executive Summary and Chapter 1, the System Summary, will be distributed to all employees; supervisors will also receive Chapter 2, the more detailed System Design.) I have told the Task Force that we will try to obtain your reactions by 1 September. If you will need more than two months to review and comment on the report, however, we will take the necessary extra time. Please let me know as soon as possible whether you think you will need more time.

8. You should submit your Directorate views to me and your Task Force representative. You, your managers, and any of your people who have questions about the proposal should feel free to consult with your Task Force representative (see attached list) or the Task Force Chairman,

✓ James H. Taylor

Attachments:

- A. Task Force Members
- B. The Task Force Report
(with classified appendix)

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